

***United States Court of Appeals  
for the Second Circuit***



**BRIEF FOR  
APPELLEE**





74-1171

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P/S

IN THE  
UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT

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APPEAL NO. 74-1171

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AFFILIATED HOSPITAL PRODUCTS, INC.,  
Appellant,

v.

MERDEL GAME MANUFACTURING COMPANY,  
WM. RICHMAN ASSOCIATES, LTD.,  
BERNARD CAHN,  
Appellees.

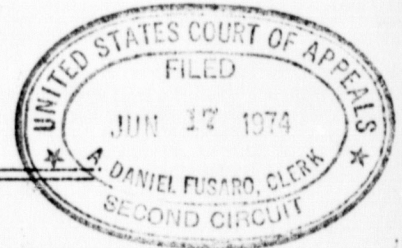
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APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

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BRIEF OF THE APPELLEES  
MERDEL GAME MANUFACTURING COMPANY,  
WM. RICHMAN ASSOCIATES, LTD.,  
AND BERNARD CAHN,

---



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COUNTERSTATEMENT OF  
ISSUES PRESENTED FOR REVIEW

I

WHETHER OR NOT THE TRIAL COURT CORRECTLY  
DECIDED THE QUESTIONS OF BREACH AND RESCIS-  
SION OF THE STIPULATION ENDING THE 1961  
LITIGATION BETWEEN THE PARTIES.

II

WHETHER OR NOT THE TRIAL COURT CORRECTLY  
DECIDED THAT "CAROM" IS THE NAME OF A GAME,  
AND THAT APPELLANT IS NOT ENTITLED TO TRADE-  
MARK PROTECTION AGAINST SUCH A DESCRIPTIVE  
USE.

III

WHETHER OR NOT THE TRIAL COURT CORRECTLY  
DECIDED THE QUESTION OF TRADEMARK INFRINGE-  
MENT INVOLVING APPELLEE'S DESIGNATION OF A  
SOCCER-TYPE GAME AS KICK'ER.

IV

WHETHER OR NOT THE TRIAL COURT CORRECTLY  
DECIDED THE QUESTION OF COPYRIGHT INFRINGE-  
MENT ARISING FROM THE PUBLICATION OF APPELLEE'S  
RULE BOOK.

V

WHETHER OR NOT THE TRIAL COURT'S FINDINGS ARE  
"CLEARLY ERRONEOUS" UNDER RULE 52, FRCP.

### STATEMENT OF THE CASE

As is developed more fully under the heading "FACTS", infra, this suit is an outgrowth of earlier federal court litigation between the parties which was settled pursuant to the terms of a stipulation. (Plaintiff's exhibit [PX] 4). The complaint and first amended complaint herein allege breach of that stipulation, seek its rescission, and go on to seek relief for claimed trademark infringement, copyright infringement, and unfair competition.

Pursuant to the trial court's memorandum opinion of February 23, 1971 and order of April 7, 1971, plaintiff-appellant Affiliated Hospital Products, Inc. (Affiliated) filed a motion to set aside the final judgment in the earlier litigation in the Western District of Michigan. This motion was denied (Pretrial Stipulation [PS] 5:7).

Trial to the court commenced May 31, 1972 and ended June 1, 1972. By opinion dated April 30, 1973 the court dismissed Affiliated's claims subject to the right to submit further proofs of damage on a technical breach of the stipulation within 10 days. Affiliated then filed a request for extension of time, and on November 30, 1973 the court entered judgment on its own motion finally dismissing all of Affiliated's claims, having not



been advised that Affiliated wished to proceed.

Notice of appeal was filed on December 28, 1973.

### FACTS

1. Affiliated is the successor in interest to a line of business, which, for purposes of this action, deals with the manufacture and sale of games, specifically wood games.

2. Defendant Merdel Game Manufacturing Company (Merdel) was formed in May 1961 by three former employees of plaintiff's immediate predecessor in this line of business, Shampaine Industries.

3. A prior suit was commenced against Merdel and its three principals on December 21, 1961 in federal court for the Western District of Michigan by plaintiff's predecessor, Shampaine Industries, for misappropriation of trade secrets, breach of fiduciary duties and unfair competition. (PS-5:1, 5:2).

4. As initially filed, the lawsuit did not involve any trademark issues. (PS 5:2).

5. Affiliated entered that case in August 1965 and on January 14, 1966, it filed a second amended complaint to allege infringement of its trademarks Carrom and Carroms by Merdel's use of the term "Carom." An answer and counterclaim alleging unfair competition and unfair trade practices was filed by defendants in that case on February 3, 1966. (Affidavit of John D. Pope III, PX 129, paragraphs 2-5 and Exhibits A and B thereto.)



6. During the year 1966, Affiliated amended its trademark registration from "Carroms" to "Carrom." (PS 3:1).

7. No discovery was taken by Affiliated subsequent to filing of its second amended complaint. (PS 5:4).

8. Trial to the court in that action commenced February 28, 1967, and continued through March 1, 1967. After conclusion of proofs on the second day, settlement was reached pursuant to the terms of a stipulation which reads as follows:

The parties hereto, by their respective attorneys, hereby stipulate and agree as follows:

1. The defendants stipulate that plaintiff's trademark registration No. 49,996 is valid and agree not to use the words CARROM or CARROMS as a trademark. If the word CARROM or CARROMS ceases to be a trademark, there shall be no restriction on the defendants' use thereof.

2. The plaintiff stipulates that it will not object to the use of the word CAROM or CAROMS by defendants where such use is no more prominent than the use on the date of this stipulation. The defendants agree that they will not expand such use for the period of three years from this date. The defendants agree as part of the foregoing that they will not use the word CAROM or CAROMS during such three-year period to describe their gameboard. At the termination of such three-year period there shall be no restriction on the use of the words CAROM or CAROMS by the defendants.

3. Plaintiff stipulates that the United States Patent No. 3,008,740 granted to Robert L. Erickson on May 7, 1963, is valid and that said Robert L. Erickson was the first inventor thereof.

4. The parties stipulate that none of the

parties shall be entitled to recover any damages for any acts relating to any matters in controversy at any time in this proceeding.

5. The parties stipulate that an order may be entered by the Court reading as follows: 'IT IS HEREBY ORDERED, that the complaint and counterclaim be, and they are hereby, dismissed with prejudice and without costs to either party'. (PX-4).

9. Judgment was entered in that case pursuant to the terms of the stipulation. (PX-129, ¶18 and Ex. G thereto.)

10. The settlement was prompted by the fact that the trial judge advised that Affiliated's case for protection of its trademark appeared weak and that he used that trademark personally to indicate the name of a product rather than as an indication of source of origin. (PX-129, ¶20 and 21; see also defendants' Ex. [DX] U-1, pp. 255-257.)

11. The suit was concluded by an order dated March 2, 1967:

All matters in controversy having been adjusted and settled by the parties hereto, it is hereby ordered:

That the Complaint and Counterclaim be, and they are hereby, dismissed with prejudice and without costs to either party. (PS-5:6).

12. At a subsequent time, Affiliated became aware of usages of the word "carom" by Merdel which predated the stipulation and were unknown to Affiliated as of March 2, 1967.



## ARGUMENT

### I

THE FACTS ARE INSUFFICIENT TO WARRANT RESCISSION OF THE STIPULATION OF MARCH 2, 1967, ON GROUNDS OF MATERIAL BREACH, MISTAKE OR MISREPRESENTATION AND THAT STIPULATION, BY ITS TERMS, BARS A SUIT FOR INFRINGEMENT OF PLAINTIFF'S TRADEMARK "CARROM."

Merdel's position on this issue can be summarized as follows:

1. The stipulation is an entire and indivisible agreement.
2. By its terms it governs Merdel's use of "carom" or "caroms," providing restrictions for a three-year period with no restrictions at the expiration of that period, leaving Affiliated with a contract remedy for any alleged breaches.
3. Assuming that Merdel's activities constituted a breach there is no basis for rescission because:
  - (a) the claimed breaches are not material;
  - (b) the parties cannot be placed in status quo.
4. There is no basis for rescission on grounds of mistake or misrepresentation, since the inducement to enter the stipulation was not the claimed mistake or misrepresentation, but the threat that the trial judge in Michigan would rule unfavorably on the validity of Affiliated's trademark.

A. The Stipulation is an entire and indivisible instrument.

The intention of the parties, as gathered from the circumstances of the case and the subject matter of the contract, controls in determining whether a contract is entire or divisible. City of Lansing v Twp of Lansing, 356 Mich 641, 656-7; 97 NW 2d 804 (1959). Furthermore, a contract is entire, when by its terms, nature and purpose it contemplates and intends that each and all of its parts and consideration are to be common and interdependent Id. The proofs at trial established that the intention of the parties was to conclude the litigation between them and that all of the provisions of the stipulation were to serve that common purpose. (PX-129).

B. If there was a breach of the stipulation as alleged by plaintiff, the normal contract remedies should be applied.

It is Merdel's position that the stipulation in and of itself constitutes a waiver of trademark protection for Affiliated's trademark "Carrom" insofar as use of the word "carom" by Merdel is concerned. Any claimed breach of the stipulation is fully answerable in damages, if Affiliated were able to prove damages. Judging from its response to the court's opinion, such proof is problematical.



The purpose of the stipulation was obviously to settle the differences which had arisen in the Michigan litigation, including Affiliated's claim of trademark infringement. If the agreement has been breached, it seems redundant to reopen the questions which the stipulation attempted to resolve. In short, Affiliated, by entering the stipulation and agreeing that after three years there would be no restrictions on Merdel's use of "carom" or "caroms", resigned itself to a contract remedy for breach of the stipulation and is not now free to reopen questions of trademark infringement, absent rescission of the stipulation.

C. If there was a breach of the stipulation, by Merdel, it was partial, not total, and not "material" so as to justify rescission.

To obtain rescission, a party must show "material" breach; Walker & Company v Harrison, 347 Mich 630, 81 NW 2d 352 (1957). The criteria for material breach, as stated in Section 275 of the Restatement of Contracts (adopted in Walker & Company v Harrison, supra) are:

- (a) The extent to which the injured party will obtain the substantial benefit which he could have reasonably anticipated;
- (b) The extent to which the injured party may be adequately compensated in damages for lack of complete performance;
- (c) The extent to which the party failing to

perform has already partly performed or made preparations for performance;

(d) The greater or less hardship on the party failing to perform in terminating the contract;

(e) The willful, negligent or innocent behavior of the party failing to perform;

(f) The greater or less uncertainty that the party failing to perform will perform the remainder of the contract.

These criteria will be considered seriatim in the factual setting of this case:

(a) It should be borne in mind that the stipulation did not merely govern Merdel's use of "carom" - it recognized the validity of Affiliated's trademarks, (which were obviously in jeopardy) and provided for dismissal with prejudice of the counterclaim in that suit which sought damages and injunctive relief. (See Opinion [Op] pp. 16-17, footnote 4). The validity of the trademarks was "critical". (PX 129, ¶24).

Affiliated claims that the benefits it sought from paragraph 2 of the stipulation were three in number: to permit it to promote its trademark "Carrom" for a game board; to prevent other manufacturers from noting Merdel's use of "carom" and be thereby enticed into doing the same; and to possibly induce Merdel to adopt a trademark totally unrelated to "Carrom" (Id. - ¶26, 27).

There is nothing in the record to show that trademark



promotion was not undertaken by Affiliated nor that it was hindered in any way by Merdel's activities. No evidence was introduced showing usage of "Carom" by other manufacturers as a result of Merdel's activities nor was there proof that Affiliated did not get the benefit of an inducement to Merdel to adopt a trademark unrelated to "Carrom."

Finally, as shown by ¶27 of PX-129 the principal concern of Affiliated was in obtaining freedom from confusingly similar advertising which might affect its trademark. As indicated below the claimed breaches were not advertisements but were largely proprietary business documents.

In fact, Merdel's total advertising has been minimal, (DX-O, Trial transcript [Tr], p. 282, lines 2-4) and the claimed breaches by way of advertising are only two in number (PX 27-28). Their significance is greatly compromised by DX-T13 which shows that in July 1968 Affiliated's attention was directed to PX 27. No complaint was ever made to Merdel about this advertisement, inviting the conclusion that it was not then considered to be in breach of the stipulation.

(b) Affiliated and Merdel compete in the area of wholesalers, dealers and jobbers (PS 1:8). If Affiliated has been damaged by lack of complete performance, it should be able to

show injury. The difficulty in making such a showing is apparent when one considers that with the exception of a changed end-flap on the Merdel carton (PX-46A, Tr. pp. 259-263), all of the claimed breaches were directed to the trade - such as jobbers, dealers and wholesalers (PX 22-H, 24 A-AV, 26B-D, 27-37, 41, 52, 63) and not to the consuming public. (Op. p. 12).

Because Affiliated's proof of damages from the claimed breaches is deficient, if not non-existent (Tr. pp. 48-51, 60-62, 77-81), it is attempting to come under the penumbra of damage to good will to show inadequacy of money damages. The remarks of the court in Chips'N Twigs, Inc. v Prives, 226 F Supp 529 (ND Cal 1963) are germane, however, to this claim:

\*\*\* The fact that a professional whole-sale buyer, a person presumably familiar with the variously trademarked products in the . . . field, would not be confused by defendants' retail use of the "Mr. Chips" name simply begs the question. It is the buying public which the trade-mark laws are designed to protect; . . . . .  
Id at 533.

Furthermore, no evidence of confusion was presented. (See Op. pp. 15-16). Even in trademark law, while proof of actual confusion is not necessary to a finding of trademark infringement, the fact that both products have been sold



for many years in the same market without apparent deception or confusion is strongly probative that there is no likelihood of deception or confusion. David Sherman Corp v Heublein, Inc, 340 F2d 377, 380 (8th Cir 1965); Fieldcrest Mills, Inc v Couri, 220 F Supp 929, 932 (SD NY 1963); Societe Anonyme, etc v Julius Wile Sons, Inc, 161 F Supp 545, 548 (SD NY 1958).

(c) Merdel has dismissed its counterclaim and has fully performed with respect to observance of the validity of Affiliated's trademarks. Merdel has not used the words "Carrom" or "Carroms."

(d) Consistent with its understanding of its rights under the stipulation, Merdel changed its carton, sales literature and stationery subsequent to March 2, 1970. (PX 25-C, 48-A). Rescission of the stipulation would completely nullify this change of position and would also prejudice Merdel insofar as its rights in the prior suit are concerned. Rescission would allow Affiliated to reopen its claims of trademark infringement but Merdel's counterclaim is barred by the order of dismissal, which the Michigan court expressly refused to set aside after hearing on Affiliated's motion for that purpose, as required by the trial court.

(e) The proofs show that Merdel acted at all times in the belief that its activities were fully within its rights under the stipulation. (Tr. pp. 289-294.)

(f) This criteria is rendered moot by the expiration of the three-year period and Merdel's compliance with the stipulation in all other respects.

Thus the proofs overwhelmingly preponderate in favor of the trial court's finding that there was no material breach of the stipulation and no grounds for rescission (Op. pp. 11, 16).

D. The inability to place the parties in status quo militates against rescission.

An essential element of contract rescission under Michigan law is restoration to the status quo. Wall v Zynda, 283 Mich 260, 278 NW 66 (1938); Travelers Insurance Co v Carey, 24 Mich App 207, 180 NW 2d 68 (1970). In this case, as indicated above, Merdel cannot be returned to the status quo, having irrevocably foresaken its counterclaim in the Michigan suit for the settlement. The very nature of the case precludes a return of the parties to their pre-stipulation positions and this was noted by the trial court in its opinion at pp. 16-17.

E. Rescission for mistake or misrepresentation is inappropriate where the facts in question do not go to the essential purpose of the agreement.



Mistake and innocent misrepresentation are grounds for contract rescission in Michigan. Alpert Industries v Oakland Metal Co, 3 Mich App 101, 141 NW 2d 671 (1966). Affiliated claims that it was unaware of the full extent of Merdel's use of the word "carom" prior to the date of the stipulation and that its lack of knowledge was brought about by statements of Merdel's counsel in brief and opening statement.

Disregarding for present purposes the fact that no discovery was conducted in the Michigan suit as to the claimed infringing uses of "carom" by Merdel, it is obvious that Affiliated's lack of knowledge on that score did not induce it to enter into the stipulation. Clearly that action resulted from the comments of the trial judge in the case and Affiliated's concern for its position should the case go to judgment.

To avoid a contract a mistake must go to a material fact, one which "forms the very basis of the contract." It must be "the efficient cause of the agreement" and "such that it animated and controlled the conduct of the party." 54 Am Jur 2d-Mistake, Accident or Surprise §5. The case of Grymes v Sanders, 93 US 55, 23 L Ed 798 quoted in Williston on Contracts, Third Edition §1544 states it as follows:

A mistake as to a matter of fact, to warrant relief in equity, must be material, and the fact must be such that it animated

and controlled the conduct of the party. It must go to the essence of the object in view, and not be merely incidental. The court must be satisfied, that but for the mistake the complainant would not have assumed the obligation from which he seeks to be relieved. (Emphasis supplied.) Id at 93 US 60, 23 L Ed 801.

As the proofs show, the reason for entering into the stipulation, from Affiliated's standpoint, was plainly and simply concern over the possible ruling of the court on the validity of its trademark. (PX-129.) There was no mistake as to that fact. Furthermore there was no mistake whatsoever on the part of Merdel or its counsel. (PX 120-A, pp. 39-42.)

To seek to avoid the stipulation because of a claimed mistake as to existing incidental facts is legally insufficient, particularly when considered in light of the fact that Affiliated at all times prior to trial, had the means fully within its control, by means of discovery procedures which it chose not to exercise, to discover what the claimed mistaken facts were. Affiliated bargained for a dismissal of the Michigan suit, and it fully received that bargain. The trial court found no material mistake and no misrepresentation, and this finding should be upheld. (Op. p. 16.)



## II

AFFILIATED'S TRADEMARK "CARROM", AS APPLIED TO GAME BOARDS, IS GENERIC AND/OR DESCRIPTIVE, AND NOT ENTITLED TO TRADEMARK PROTECTION AS SO APPLIED.

A trademark is a word, name or symbol used by a manufacturer "to identify his goods and distinguish them from those manufactured or sold by others." Lanham Act - 15 USC §1127. The primary function of a trademark is to identify the origin of the goods in question. E.g. National Nu Grape Co v Guest, 164 F2d 874 (10th Cir 1947); Proxite Products, Inc v Bonnie Brite Products Corp, 206 F Supp 511 (SD NY 1962).

The proofs established beyond dispute that carroms (caroms), or carrom (carom), is the name of a game, (PX-102; DX M-M4; DXV, p. 13; DX-V1, V2, V4, pp. 51; DX-V5, V7, pp. 67) and the trial court so found (Op. pp. 13, 15). The game board in question manufactured by both Affiliated and Mordel is one on which carrom, crokinole, checkers, backgammon and many other games may be played, but one of the principal games, if not the principal game, is carrom. This is a game similar to pool, played on a board with pocket nets and raised sides.

Since Affiliated's trademark, as applied to game boards on which the game of carrom can be played, is also the name of

the item itself, i.e. a carrom board, it is incapable of functioning as a trademark because it cannot distinguish the carrom board of Affiliated from that of Merdel insofar as the public is concerned. In re: Cooper, 254 F2d 611 (C.C.P.A. 1958). This was highlighted in the former trial when Affiliated's former works manager stated that if he, as a member of the public, were to enter a store and ask for Merdel's game board, he would have to ask for a carrom board. (DX-U.)

The proofs show that Affiliated originally referred to its board as a "combination game board" but then, starting in the 1930's, began to denominate it a "Carrom Game Board," Carrom Board, and Carrom-Crokinole Game Board, all indicative of the featured game played on the board.

From the 1920's through 1970 Affiliated, in its catalogs and rule books repeatedly referenced the "carrom side" and the "crokinole side" to designate the two sides of its board. (PX-8 through 8N, PX-9, DX V through V-7). It is revealing that in 1970, after institution of this action Affiliated changed its rule book and catalog (PX-9, DX-V7) in significant manner, deleting all references to carrom as the name of a game or side of the board (substituting "checkerboard side" for "carrom side") and clearly indicating that "Carrom" was its trademark for its game playing equipment, not the game itself.



The reason for these changes is clear - "neither games nor books are registrable but only trademarks." In re Cooper, supra at 617. To expand on the above, it is undisputed that "crokinole" is the name of a game and the "crokinole side" is thus the side of the board on which that game is played. Conversely, the "carrom side" is the side on which the game of "carrom" is played. Thus Affiliated's own actions enforced the descriptive use of the word "carrom".

A designation which is initially a trademark ceases to be such when it comes to be understood as a generic or descriptive designation for the goods in connection with which it is being used. Donald F. Duncan, Inc v Royal Tops Mfg Co, 343 F2d 655, 662-665 (7th Cir 1965); Dixi-Cola Laboratories, Inc v Coca-Cola Co, 117 F2d 352 (4th Cir 1941). And if a trademark describes the qualities, ingredients or characteristics of the product to which it is attached, it is descriptive. Flexitized, Inc v Flexitized Corporation, 214 F Supp 664 aff'd 335 F2d 774 (2d Cir 1964). A descriptive mark is invalid because it does not advise the public of the source, or origin of the goods, and, if it did, since the word describes the goods, protection for the mark would encroach upon common speech, which should freely do the same. National Nu Grape v Guest, supra; Oakland Chemical Co v Bookman, 22 F2d 930 (2d Cir 1927); General Controls v Hi-G, Inc,

212 F Supp 152 (D Conn 1962).

Thus, the cases of Ludington Novelty Co v Leonard, 127 F 155 (2d Cir 1903) and Williams v Mitchell, 106 F 168 (7th Cir 1901), cited by Affiliated, are not relevant, as pointed out by the trial court at p. 13. There now clearly being a game known as carrom or caroms, trademark protection for such use is not available. Also, the case of Selchow v Baker, 93 NY 59 (1883) also cited by Affiliated to apparently show that the name of a game can be trademarked, is clearly not the law. See Donald F. Duncan, Inc, supra; In re Cooper, supra, and Dixi-Cola Laboratories, Inc, supra.

The dictionary definitions of "caroms" as the name of a game (DX-M through M-4) point up the descriptive nature of the word as applied to game boards. An analogy can be made to "checkers" - the board on which checkers is played is known as a checkerboard, the game on which caroms is played is a carom board. The phrase "game board", without more, is simply not an adequate designation for the product in question here - it represents a class of goods, or genus, but not a species. As another example, a certain consumer item is a soft drink (genus). A species of soft drink would be a cola drink and the trademark would be "Coke" or "Coca-Cola." Thus, here the genus is game board, the species is carom (or carrom) game board and the trademark



would be Carrom (brand) carom board or Merdel carom board.

Merdel does not argue that "Carrom" is not a valid trademark as applied to Affiliated's hospital furniture, dormitory furniture or even as applied to Affiliated's other games. But in the case of carom boards, the term is descriptive and not entitled to protection. The trial court's finding in this respect should be upheld.

### III

THE TRIAL COURT CORRECTLY HELD THAT ANY CONFUSION RESULTING FROM MERDEL'S USE OF THE NAME KICK'ER AGAINST PLAINTIFF'S TRADEMARK KICK-IT RESULTED FROM THE DESCRIPTIVE NATURE OF THE WORD KICK.

The game in question is a soccer-type game. The proofs showed that Affiliated's trademark KIKIT was modified to KIK-IT after Merdel began marketing a similar game under the name Kick'er (PX-67, 68). Infringement was not raised in the prior suit, although Merdel had been marketing its Kick'er game for a number of years. (Op, p. 19.)

The proofs demonstrated usages and trademark registrations for a variety of similar games with names beginning with the basic word "kick." (DX-A, B, D, D-1 through D-8). Merdel argues that Affiliated is simply not entitled to trademark protection for such a common and descriptive designation.

By analogy, in the case of Winget Kickernick Co v LaMode Garment Co, 42 F2d 513 (DC ND Ill 1930) plaintiff's trademark "Kickernick," as applied to bloomers, children's wearing apparel and other articles of personal attire, was denied protection against defendant's "kickaway" as applied to ladies' and children's wearing apparel, bloomers, step-ins and the like. Noting the profusion of registrations involving the ordinary word "kick," and comparing numerous cases with trademarks coined from basic words, the court denied relief.



In Kiki Undies Corp v Alexander's Department Store, Inc, 390 F2d 604 (2d Cir 1968) "kicky" was held indicative of youthful, sporty, pert or sassy and not to infringe "Kiki" even though the latter was applied to undergarments and the former used on skirts.

In Clark Equipment Co v Baker-Lull Corporation, 288 F2d 926 (C.C.P.A. 1961) registration was granted the trademark "Yardloader" against the opposition of the holder of "Yardlift", both marks to be applied to fork lift trucks. The court held that the similarity of appearance and suggestion arose from the purely descriptive aspects of both marks.

Similarly, in this case, any similarity arises because of the descriptive nature of the words used. See also Insect-O-Lite Co v Hagemeyer, 151 F Supp 829 (ED Ky 1957) in which "Insect Light" was held not to infringe "Insect-O-Lite."

#### IV

THE TRIAL COURT CORRECTLY HELD THAT PLAINTIFF  
FAILED TO MEET ITS BURDEN OF PROOF ON COPYRIGHT  
INFRINGEMENT.

Affiliated's brief on appeal inverts the emphasis of  
The trial court's opinion. (Affiliated's appeal brief, pp.  
34-41.) The trial court's principal finding was that there  
were significant differences in the methods of expression em-  
ployed in the two rule books. (Op, pp. 22-25.)

The essence of copyright protection is the protection  
of originality rather than novelty or invention. Originality  
means little more than a prohibition against actual copying.  
Gelles-Widmer Co v Milton Bradley Co, 313 F2d 143 (7th Cir 1963).

Thus, a copyright necessarily involves two elements:

- (1) The subject matter of the copyrighted work,  
and,
- (2) The manner in which the author treats the  
subject matter.

With reference to that dichotomy, the Supreme Court in Mazer v  
Stein, 347 US 201, 217, 74 S Ct 460, 470 (1954), stated:

Unlike a patent, a copyright gives no  
exclusive right to the art disclosed; pro-  
tection is given only to the expression of  
the idea - not the idea itself. (Footnote  
omitted, emphasis supplied.)



What the trial court determined was that although the ideas for the rule books were identical, the expression of those cases was not.

In the treatise Nimmer on Copyright at §37.83, (1971), page 161, the following statement is found:

The wording of instructions for the playing of a game is itself copyrightable so as to prevent a literal or closely paraphrased copy.

The test applied by Nimmer in this situation is more restrictive than the test applied to other claims of copyright infringement. See Ideal Toy Corp v Fab-Lu Ltd, Inc, 360 F2d 1021 (2d Cir 1966). Nimmer's test demands literal or closely paraphrased copy, not merely substantial similarity. His test is designed to meet the somewhat unusual circumstance which game instructions present to copyright law. The trial court specifically found that there was not a "literal or closely paraphrased copy of the plaintiff's rule book" (Opinion, p 25).

In Morrissey v Proctor & Gamble Co, 379 F2d 675 (1st Cir 1967), the court was faced with a claim that the defendant infringed plaintiff's copyright in its instructions for a sweepstakes game utilizing Social Security numbers by conducting an identical game accompanied by very similarly worded instructions. The court held on pp. 678, 679:

When the copyrightable subject matter is very narrow, so that the 'topic necessarily requires' (citations omitted) if not only one form of expression, at best only a limited number, to permit copyrighting would mean that a party or parties, by copyrighting a mere handful of forms, could exhaust all possibilities of future use of the substance. In such circumstances it does not seem accurate to say that any particular form of expression comes from the subject matter. However, it is necessary to say that the subject matter would be appropriated by permitting the copyrighting of its expression. We cannot recognize copyright as a game of chess in which the public can be checkmated.

The Morrissey case was interpreted in Time, Inc v Bernard Geis Associates, 293 F Supp 130, 143 (SD NY 1968), as follows:

The Morrissey case involved the rule of a sales promotion contest. The substance of the contest itself was not found to be copyrightable. It was also found that there was a very limited number of ways in which the rules could be expressed. If the rules were made the subject of copyright, then the copyrighted substance of the contest would be appropriated by the owner of the rules copyright.

The court declined to extend copyright protection to the rules. It goes without saying that there exists but a limited number of ways in which rules for the game of Carroms or Ring Caroms could be described. (See opinion, p. 24). Moreover, because of the similarity in the games themselves instructions as to the playing of the games must of necessity, and not because of copying, include similar phrases and expressions.



Affiliated argues that Consolidated Music Publishers, Inc v Hansen Publication, Inc, 339 F Supp 1161 (SD NY 1972) rebuts the Morrissey and Time, Inc cases, supra. The Consolidated case dealt with an instruction book for guitar playing. The book contained exercises and instructions for learning to play the guitar. Presumably there are many different ways of playing a guitar and certainly a great many exercises in connection with developing musical expertise, but again, there is only one way to play a game and necessarily a limited number of ways in which rules for the game can be expressed. The case is readily distinguished.

The appellant here also maintains that Merdel has copied its illustrations. The court in E H Tate Company v Jiffy Enterprises, 16 FRD 571, 573 (ED Pa 1954) faced a similar allegation. In that case the plaintiff alleged the defendant copied three (3) small sketches each about half the size of one fingernail describing the function and use of a particular article. The court gave this allegation summary treatment:

The plaintiff's sketches are not even copies of the defendants. If the plaintiff has the right to sell and advertise its hanger, it certainly has the right to supply purchasers and prospective purchasers with sketches for its use. If the plaintiff has the right to use a sketch, I do not see how it could very well do so without showing some sort of similarity to that of the defendant.

The Jiffy Enterprise's court's disposition of such an allegation is particularly apposite to the facts of the present case. As the trial court found (Op, p. 23) the illustrations are not copies. Given Merdel's right to sell carom boards, an illustration describing the proper use of the board must necessarily be similar to Affiliated's illustrations.

The lengths to which Affiliated goes in an attempt to show actual copying (Addendum I to appeal brief) demonstrates the effectiveness of the changes made by Merdel in writing its own rule book (Op, p. 24, Tr, pp. 317-318).

Finally, it should be pointed out that copyright protection at time of trial was granted for a maximum of fifty-six years. 17 USC §8, 24. After that time a copyrighted work is in the public domain. Forty-eight of the rules as to which copyright protection was claimed were contained in a rule book last copyrighted in 1901. (See DX-V, Y, PX-100.) Merdel feels that DX-Y is illustrative of the motivation of Affiliated in bringing this action, since it shows knowledge that these rules were in the public domain; and in spite of this fact Affiliated introduced PX-103, which purported to show copyright infringement of these rules.

In any event, Merdel feels that the trial court's findings are well supported by the evidence and the dismissal of copyright infringement claims was correct.



V

RULE 52, FRCP REQUIRES AFFIRMANCE OF THE TRIAL COURT IN THIS CASE.

As shown, the record is replete with evidence supporting the findings of the court below. The determination by the court that the March 2, 1967 stipulation had not been materially breached was essentially a factual matter, and is binding on the appellate court unless clearly erroneous. Noel v Kline, 352 F2d 496 (5th Cir 1963). Similarly, although the ultimate questions of the meaning and application of the stipulation are not findings of fact under Rule 52, their determination rests on subordinate determinations that are. Artvale Inc v Rugby Fabrics Corp, 363 F2d 1002 (2d Cir 1966).

As to trademark issues, again, Rule 52 clearly applies to the trial court's findings. John R. Thompson Co v Holloway, 366 F2d 108 (5th Cir 1966); Fleetwood Co v Hazel Bishop, Inc, 352 F2d 841 (7th Cir 1965).

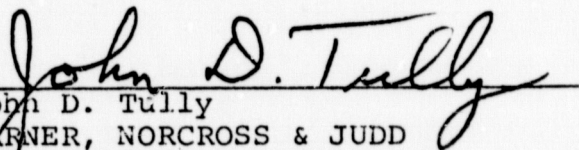
Finally, in copyright infringement actions, trial court findings are not reversible unless clearly erroneous. Sawyer v Crowell Publishing Co, 142 F2d 497 (2d Cir 1944 ) cert den 323 US 735, 65 S Ct 74 (1944); Williams v Kaag Mfrs Inc, 338 F2d 949 (9th Cir 1964).



CONCLUSION

Merdel asks that the judgment of the court below  
be affirmed in all respects, and that this appeal be dismissed.

Respectfully submitted,

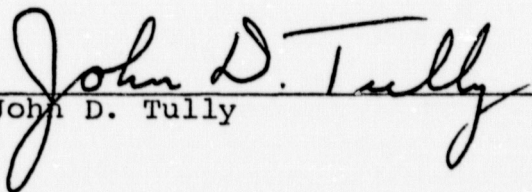
  
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CERTIFICATE OF SERVICE

I certify that two (2) copies of the foregoing Brief were mailed to Bill Durkee, 2100 Transco Tower, Houston, Texas 77027, and Alan T. Bowes, 59 Maiden Lane, New York, New York 10038, this 15th day of June, 1974.

  
John D. Tully